Message Text

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ACTION NEA-12

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R 191103Z APR 74 FM AMCONSUL KARACHI TO SECSTATE WASHDC 8043 AMEMBASSY ISLAMABAD

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E.O. 11652: N/A TAGS: BGEN, PK

SUBJECT: PATCHOGUE-PLYMOUTH PURCHASE OF LOOMS FROM PICIC

REF: STATE 076216

1. DPO HAS AGAIN SPOKEN AT LENGTH WITH PICIC MANAGING DIRECTOR OSMAN ALI, DEPUTY MANAGING DIRECTOR ABUL HASNAT, AND PATCHOGUE-PLYMOUTH'S LOCAL ATTORNEY CAMPBELL GALLAHER, CONCERNING PROBLEM OF OBTAINING CLEARANCE FOR SALE TO PATCHOGUE-PLYMOUTH OF THE 18 SULZER LOOMS LYING IN KARACHI PORT. AS RESULT THESE AND MANY PREVIOUS CONVERSATIONS WE CONCLUDE PICIC HAS DONE EVERYTHING POSSIBLE TO OBTAIN NECESSARY GOP CLEARANCE. OSMAN ALI TOLD DPO APRIL 18 HE HAD AGAIN PERSONALLY TELEPHONED ADDITIONAL SECRETARY OF INDUSTRIES N.N.A. KURESHI, RECALLING LONG DELAY AND REQUESTING DECISION FORTHWITH, BUT FAILED GET COMMITMENT FROM KURESHI, ATTORNEY GALLAHER ALSO BELIEVES PICIC OFFICIALS HAVE DONE THEIR BEST TO OBTAIN GOP CLEARANCE. NEITHER PICIC NOR GALLAHER CAN GIVE CONGEN ANY ASSURANCE AS TO WHEN, IF EVER, GOP WILL COME THROUGH WITH REQUIRED CLEARANCE. CHIEF STUMBLING BLOCK TO CLEARANCE IS CLEARLY ADDITIONAL SECRETARY N.N.A. KURESHI WHO THROUGH EITHER INERTIA, INDIFFERENCE OR LESS POSSIBLY, ACTUAL OPPOSITION TO SALE, HAS SO FAR FAILED TO TAKE REQUIRED ACTION, EVEN THOUGH SALE WOULD RESULT IN ABOUT \$450,000 IN ADDITIONAL FOREIGN EX-CHANGE WHICH, WE PRESUME, WOULD BE OF SOME VALUE TO PAKISTAN GIVEN BP BALANCE OF PAYMENTS OUTLOOK FOR COMING YEAR.

2. GALLAHER HAS MADE CLEAR TO OSMAN ALI AND OSMAN ALI IN TURN LIMITED OFFICIAL USE

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HAS MADE CLEAR TO N.N.A. KURESHI THAT ALLOCATION FOR LOOM DE-

LIVERY NEXT SEPTEMBER, WHICH PATCHOGUE-PLYMOUTH HAS OBTAINED FROM U.S. MANUFACTURER, COULD BE TRANSFERRED TO PICIC IN MOST UNLIKELY EVENT THAT SIMILAR LOOMS WOULD BE OF ANY USE IN PAKISTAN AT A LATER DATE. OSMAN ALI INFORMS US PICIC PERCEIVES NO CONCEIVABLE USE IN PAKISTAN FOR THE SULZER LOOMS IN QUESTION, EITHER NOW OR IN FUTURE).

3. ACTION SUGGESTED FOR EMBASSY ISLAMABAD: IN VIEW OF CONSIDERABLE U.S. COMMERCIAL INTEREST IN THIS CASE, IN VIEW OF THE CONSIDERABLE

FOREIGN EXCHANGE BENEFITS WHICH WOULD ENSUE AS
A RESULT OF THE LOOM SALE TO PATCHOGUE-PLYMOUTH, AND IN VIEW
OF THE INORDINATE DELAY BY THE GOP IN REACHING ANY DECISION
IN THIS CASE OVER THE MONTHS SINCE NOVEMBER 1972, CONGEN STRONGLY SUGGESTS THAT FINAL ATTEMPT BE MADE AT ECON COUNSELOR LEVEL
OR HIGHER WITH N.N.A. KURESHI TO PRY LOOSE FROM MINISTRY OF
INDUSTRIES THE REQUIRED "NO OBJECTION" WHICH WILL GET THIS CASE
OFF DEAD CENTER. GIVEN APPARENT GOP NEED FOR FOREIGN EXCHANGE AND
FLAT STATEMENT FROM TOP MAN IN PICIC THAT LOOMS ARE OF NO USE
IN PAKISTAN, WE BELIEVE EMBASSY MIGHT WELL BE ABLE TO PRESENT
RATHER CONVINCING ARGUMENTS TO KURESHI FOR HIS EARLY SIGNATURE

ON REQUIRED PIECE OF PAPER.

4. FOR NEA/PAB: REQUEST YOU ACKNOWLEDGE RECEIPT OF CONGEN OF COMMERCIAL CABLE DATED APRIL 16 FROM NUGENT OF PATCHOGUE-PLYMOUTH WHICH REQUESTS INTERVENTION AT HIGHEST LEVEL IN ORDER TO EXPEDITE SALE OF LOOMS. PLEASE INFORM NUGENT TOP PICIC OFFICIALS IN KARACHI HAVE DONE EVERYTHING POSSIBLE OBTAIN CLEARANCE FOR SALE FROM GOP WITHOUT SUCCESS AND THAT MATTER DEFINITELY BEYOND ABILITIES OF BOTH PICIC AND CONGEN KARACHI.

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